

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Federal-State Joint Board on Universal)	CC Docket No. 96-45
Service)	

REPLY COMMENTS OF U S WEST COMMUNICATIONS, INC.

U S WEST Communications, Inc. ("U S WEST") files these reply comments in response to the December 22, 1999 Public Notice.¹

I. INTRODUCTION

In response to the Public Notice, the comments filed by the industry, including AT&T Corp. ("AT&T"), Bell Atlantic telephone companies ("Bell Atlantic"), Citizens Utilities Company ("Citizens"), GTE Service Corporation ("GTE"), Nortel Networks, Inc. ("Nortel"), SBC Communications Inc. ("SBC"), The United States Telecom Association ("USTA") and U S WEST, provided evidence that the voice grade service bandwidth should not be redefined, as suggested in the Public Notice. The comments demonstrated:

- There is no evidence that an increase in bandwidth alone would increase modem speed;
- The competitive marketplace has successfully been and should continue to be the determinant of increased access to advanced services;

¹ See Public Notice, Common Carrier Bureau Seeks Comment on Requests to Redefine "Voice Grade Access" for Purposes of Federal Universal Service Support, CC Docket No. 96-45, DA 99-2985, rel. Dec. 22, 1999 ("Public Notice").

- The suggested range of 200 Hertz to 3500 Hertz would be costly and time consuming to implement; and
- In any event, by statute, this matter must be referred to the Federal-State Joint Board on Universal Service ("Joint Board").

The parties recommend, and U S WEST agrees, that the Federal Communications Commission ("Commission") should not redefine voice grade access² in the manner suggested by the Public Notice.

II. INCREASING THE VOICE GRADE ACCESS BANDWIDTH WILL NOT ASSURE HIGH-SPEED INTERNET ACCESS

There is no data relating the increase in bandwidth to an increase in modem speed, nor is there evidence that the current data transmission speed inhibits access to the Internet. As described in U S WEST's initial comments filed in this proceeding and in the comments of GTE, Nortel and USTA, bandwidth is also impacted by modems, other equipment at the end users' premises as well as network equipment, and modems used by Internet service providers ("ISP").³ Even if the larger bandwidth were required, it would not guarantee the transmission speeds of 28.8 kbps that RUS seeks.⁴ Thus, the benefits of requiring companies to upgrade existing voice-grade plant to accommodate what *may* only be a slightly higher analog modem speed are dubious, at best.⁵

² Oddly enough, the Public Notice has nothing to do with the provision of voice grade access. It seeks comments on the effect of the bandwidth change to 200 Hertz to 3500 Hertz for Internet connectivity. The existing bandwidth is more than sufficient to provision quality voice grade service. See Bell Atlantic at 2.

³ See U S WEST at 5; GTE at 8; Nortel at 4; USTA at 5-7.

⁴ See RUS at 10.

⁵ See The National Exchange Carrier Association, Inc. ("NECA") at 2.

III. THE COMPETITIVE MARKETPLACE HAS SUCCESSFULLY BEEN, AND SHOULD CONTINUE TO BE, THE DETERMINANT OF INCREASED ACCESS TO ADVANCED SERVICES

The marketplace is taking care of this issue adequately without the aid of regulation. Pennsylvania OCA notes in Section III.A. of its comments that “access to the public switched telephone network also provides additional benefits through the use of a modem so that computers can connect to each other and transmit information over telephone lines.”⁶ Moreover, new technologies are being introduced at a rapid pace.⁷ Regulators should continue to let the market govern the issue.⁸

IV. THE SUGGESTED RANGE OF 200 HERTZ TO 3500 HERTZ WOULD BE EXCEEDINGLY COSTLY AND TIME CONSUMING TO IMPLEMENT

In its comments, Citizens estimated the cost of increasing the bandwidth to 3500 Hertz would cost at least \$165 million, and GTE estimated its costs nationwide would exceed \$2.5 billion.⁹ Other carriers have not had sufficient time to estimate their substantial costs. However, judging by the estimates that have been provided, the total cost would be gargantuan.

Moreover, the federal fund is currently unable to cover any of these costs. Indeed, it cannot even cover the costs of the existing definition of voice grade access.

⁶ Pennsylvania OCA at Section III.A.

⁷ See NECA at 2.

⁸ See Nortel at 6.

⁹ See Citizens at 6; GTE at 6.

The new mechanism adopted by the Ninth Report and Order¹⁰ has left a significant burden on the states, and to impose additional requirements to be eligible for support without additional funding would create investment mandates without a means of recovery. The entire amount of support available under the new mechanism is only \$210 million!¹¹ This does not even cover the costs of the existing definition of universal service, and it is indeed a paltry sum even when compared only to GTE's estimate of its costs to implement the proposed new definition of voice grade access. Apparently, the Commission intends to foist the entirety of colossal costs arising from redefining voice grade access onto the states.

It also should be observed that implementation of the proposed definition is not only costly, but time consuming. RUS contends that the network should be designed using the short loop concept,¹² which designs loops of approximately 1½ to 2½ miles in length. This is far from today's reality. Today, there are loops in place that exceed 50 miles. As the Nebraska Public Service Commission has stated, “[s]hortening copper loops requires the replacement of significant amounts of copper loop plant with fiber optic cable and its associated transmission, conditioning and

¹⁰ See In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Ninth Report & Order and Eighteenth Order On Reconsideration, FCC 99-306, rel. Nov. 2, 1999 (“Ninth Report and Order”), pets. for rev. pending, U S WEST v. FCC, No. 99-9546 (10th Cir. Dec. 10, 1999).

¹¹ See Public Notice, Common Carrier Bureau Announced Procedures for Releasing High-Cost Support Amounts for Non-Rural Carriers and Revised Model Results, DA 00-110, rel. Jan. 20, 2000.

¹² See RUS at 6.

power facilities.”¹³ Such an undertaking would be so expensive that it would be impossible unless carriers were given a minimum of twenty years to accomplish the task. Given the twenty-year period, the work would provide no real benefit to end users as 28.8 kbps will be outdated within five to ten years, if the past is any guide.

In addition, the equipment necessary to implement the proposed definition does not yet exist. Vendors will need an indeterminate amount of time to design, test and commercially release the necessary equipment.

V. THE MATTER MUST BE REFERRED TO THE JOINT BOARD

Pursuant to the procedure already set for the Joint Board’s review of this very issue, and in accordance with Section 254(c)(2), the Commission must defer the matter to the Joint Board. As noted by the comments of Bell Atlantic and the Western Alliance, the Commission has already declared that it will convene a Joint Board on or before January 1, 2001 to review the definition of universal service.¹⁴ By statute, the Joint Board and the Commission must carefully study numerous factors before the definition can be altered. They must study both the technology and costs necessary to increase bandwidth in rural areas. They also must develop reasonable, reliable and cost-effective mechanisms to satisfy rural bandwidth and service needs.¹⁵

¹³ In the Matter of the Commission on its own motion, seeking to conduct an investigation into the provisioning of access to advanced services, Appl. No. NUSF-21, entered Jan. 11, 2000, at 2.

¹⁴ See Bell Atlantic at 4; Western Alliance at 9.

¹⁵ See The Western Alliance (“Western Alliance”) at 1.

VI. CONCLUSION

The proposal for redefining voice grade access is a Trojan horse. It is labeled voice grade access, but its true intent is fast data transmission. However, the proposal is incapable of achieving its intent. In addition, it will take decades and billions of dollars to implement. Meanwhile, the marketplace is working so efficiently with regard to transmission speeds that the speed desired by the proponents will be anachronistic well before the proposed new definition can be implemented. Finally, this whole proceeding is moot because, by law, the proposal must be studied by the Joint Board before the Commission can act on it.

Respectfully submitted,

U S WEST COMMUNICATIONS, INC.

By: Steven R. Beck
Steven R. Beck
Suite 700
1020 19th Street, N.W.
Washington, DC 20036
(303) 672-2736

Its Attorney

Of Counsel,
Dan L. Poole

February 4, 2000

CERTIFICATE OF SERVICE

I, Kristi Jones, do hereby certify that I have caused 1) the foregoing **REPLY COMMENTS OF U S WEST COMMUNICATIONS, INC.** to be filed electronically with the FCC by using its Electronic Comment Filing System, 2) a diskette copy of the **REPLY COMMENTS** to be served, via hand delivery, upon the persons/entity listed on the attached service list (marked with a number sign), 3) a courtesy copy of the **REPLY COMMENTS** to be served, via hand delivery, upon the persons listed on the attached service list (marked with an asterisk), and 4) a copy of the **REPLY COMMENTS** to be served, via first class United States mail, postage prepaid, upon all other persons listed on the attached service list.

Kristi Jones
Kristi Jones

February 4, 2000

*William E. Kennard
Federal Communications Commission
8th Floor
Portals II
445 12th Street, S.W.
Washington, DC 20554

*Gloria Tristani
Federal Communications Commission
8th Floor
Portals II
445 12th Street, S.W.
Washington, DC 20554

*Michael K. Powell
Federal Communications Commission
8th Floor
Portals II
445 12th Street, S.W.
Washington, DC 20554

*Harold Furchtgott-Roth
Federal Communications Commission
8th Floor
Portals II
445 12th Street, S.W.
Washington, DC 20554

*Susan P. Ness
Federal Communications Commission
8th Floor
Portals II
445 12th Street, S.W.
Washington, DC 20554

*Lawrence E. Strickling
Federal Communications Commission
Room 5-C345
Portals II
445 12th Street, S.W.
Washington, DC 20554

*Irene Flannery
Federal Communications Commission
Room 5-C345
Portals II
445 12th Street, S.W.
Washington, DC 20554

*Sheryl Todd
Federal Communications Commission
Room 5-B540
Portals II
445 12th Street, S.W.
Washington, DC 20554

(3 copies)

*Katie King
Federal Communications Commission
Room 5-B550
Portals II
445 12th Street, S.W.
Washington, DC 20554

#International Transcription
Services, Inc.
1231 20th Street, N.W.
Washington, DC 20036

(including 3x5 inch diskette w/cover letter)

Christopher A. McLean
Rural Utilities Service
Room 4055
Stop# 1510
1400 Independence Avenue, S.W.
Washington, DC 20250

Marilyn Showalter
Richard Hemstad
William R. Gillis
Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive, S.W.
POB 47250
Olympia, WA 98504

John F. Raposa
GTE Service Corporation
HQE03J27
600 Hidden Ridge
POB 152092
Irving, TX 75015-2092

Gail L. Polivy
GTE Service Corporation
1850 M Street, N.W.
Washington, DC 20036

Gene DeJordy
Western Wireless Corporation
Suite 400
3650 131st Avenue, S.E.
Bellevue, WA 98006

Michele C. Farquhar
David L. Sieradzki
Ronnie London
Hogan & Hartson, LLP
555 13th Street, N.W.
Washington, DC 20004-1109

WWC

Richard A. Askoff
Regina McNeil
National Exchange Carrier
Association, Inc.
80 South Jefferson Road
Whippany, NJ 07981

Alfred G. Richter, Jr.
Roger K. Toppins
Hope Thurrott
SBC Communications, Inc.
Room 3203
One Bell Plaza
Dallas, TX 75202

Michael E. Glover
Joseph DiBella
Bell Atlantic Telephone Companies
8th Floor
1320 North Court House Road
Arlington, VA 22201

L. Marie Guillory
Jill Canfield
The National Telephone
Cooperative Association
10th Floor
4121 Wilson Boulevard
Arlington, VA 22203

John B. Adams
Citizens Utilities Company
Suite 500
1400 16th Street, N.W.
Washington, DC 20036

David L. lawson
Rudolph M. Kammerer
Christopher T. Shenk
Sidley & Austin
1722 Eye Street, N.W.
Washington, DC 20006

AT&T

Mark C. Rosenblum
Judy Sello
AT&T Corp.
Room 1135L2
295 North Maple Avenue
Basking Ridge, NJ 07920

Cynthia B. Miller
State of Florida
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Stephen L. Goodman
Halprin, Temple, Goodman & Maher
Suite 950, North Tower
555 12th Street, N.W.
Washington, DC 20004

NORTEL

John G. Lamb, Jr.
Nortel Networks Inc.
2100 Lakeside Boulevard
Richardson, TX 75081-1599

Lawrence E. Sarjeant
Linda L. Kent
John W. Hunter
Julie L. Roncs
United States Telecom Association
Suite 600
1401 H Street, N.W.
Washington, DC 20005

Gerard J. Duffy
Blooston, Mordkofsky, Jackson
& Dickens
Suite 300
2120 L Street, N.W.
Washington, DC 20037

WESTERN

Philip F. McClelland
Joel H. Cheskis
Pennsylvania Office of
Consumer Advocate
5th Floor
Forum Place
555 Walnut Street
Harrisburg, PA 17101-1923

M. Robert Sutherland
Richard M. Sbaratta
BellSouth Corporation
Suite 1700
1155 Peachtree Street, N.E.
Atlanta, GA 30309-3610

Advanced Fibre Communications, Inc.
1 Willowbrook Court
Petaluma, CA 94954

CC96-45mmm-el.doc
Last Update: 2/4/2000